



# HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

## ADMINISTRATIVE APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 04-07A

Applicant: Hale Kipa, Inc.  
615 Piikoi Street, #203  
Honolulu, HI  
Phone: 808-589-1829

Project Title: Establishment of a five-bed Special Treatment Facility

Project Address: Ewa Beach, Hawaii

1. TYPE OF ORGANIZATION: (Please check all applicable)

- Public \_\_\_\_\_
- Private   X
- Non-profit   X
- For-profit \_\_\_\_\_
- Individual \_\_\_\_\_
- Corporation   X
- Partnership \_\_\_\_\_
- Limited Liability Corporation (LLC) \_\_\_\_\_
- Limited Liability Partnership (LLP) \_\_\_\_\_
- Other: \_\_\_\_\_

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2. PROJECT LOCATION INFORMATION

A. Primary Service Area(s) of Project: (please check all applicable)

- Statewide: \_\_\_\_\_
- O`ahu-wide:   X
- Honolulu: \_\_\_\_\_
- Windward O`ahu: \_\_\_\_\_
- West O`ahu: \_\_\_\_\_
- Maui County: \_\_\_\_\_
- Kaua`i County: \_\_\_\_\_
- Hawai`i County: \_\_\_\_\_

3. DOCUMENTATION (Please attach the following to your application form):

- A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent) **See Attachment 1 - Deed**
- B. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.) **See Attachments 2 (DOH), 3 (DHS), 4 (COA) - Licenses**
- C. Your governing body: list by names, titles and address/phone numbers **See Attachment 5 – Board of Directors**
- D. If you have filed a Certificate of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:
  - Articles of Incorporation (**See Attachment 6**)
  - By-Laws (**See Attachment 7**)
  - Partnership Agreements
  - Tax Key Number (project's location) **9-1-064-114-0000**

4. **TYPE OF PROJECT.** This section helps our reviewers understand what type of project you are proposing. Please place an "x" in the appropriate box.

|                     | Used Medical Equipment<br>(over \$400,000) | New/Upgraded Medical Equip.<br>(over \$1 million) | Other Capital Project<br>(over \$4 million) | Change in Service | Change in Beds |
|---------------------|--|---|---|-------------------|----------------|
| Inpatient Facility  |  |   |   | X                 |                |
| Outpatient Facility |  |   |   |                   |                |
| Private Practice    |  |   |   |                   |                |

5. **BED CHANGES.** Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

| Type of Bed                | Current Bed Total | Proposed Beds for your Project | Total Combined Beds if your Project is Approved |
|----------------------------|-------------------|--------------------------------|---|
| Special Treatment Facility | 0                 | 5                              | 5   |
|                            |                   |                                |   |
|                            |                   |                                |   |
|                            |                   |                                |   |
| <b>TOTAL</b>               | 0                 | 5                              | 5   |

HALE KIPA, INC.  
91-1047 Aawa Drive  
Hale Kupono - Girls (CBR)

**1. PROJECT COSTS AND SOURCES OF FUNDS**

**A. List All Project Costs:**

**AMOUNT:**

|    |  |                             |
|----|--|-----------------------------|
| 1. | Land Acquisition   | <u>214,600</u>              |
| 2. | Construction Contract  | <u>                    </u> |
| 3. | Fixed Equipment  | <u>7,000</u>                |
| 4. | Movable Equipment  | <u>8,000</u>                |
| 5. | Financing Costs  | <u>                    </u> |
| 6. | Fair Market Value of assets acquired by<br>lease, rent, donation, etc. | <u>                    </u> |
| 7. | Other: _____   | <u>                    </u> |

**TOTAL PROJECT COST:** 229,600

**B. Source of Funds**

|    |                      |                             |
|----|----------------------|-----------------------------|
| 1. | Cash                 | <u>15,000</u>               |
| 2. | State Appropriations | <u>                    </u> |
| 3. | Other Grants         | <u>214,600</u>              |
| 4. | Fund Drive           | <u>                    </u> |
| 5. | Debt                 | <u>                    </u> |
| 6. | Other: _____         | <u>                    </u> |

**TOTAL SOURCE OF FUNDS:** 229,600

7. **CHANGE OF SERVICE:** If you are proposing a change in service, then please briefly list what services will be added/modified. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please reference the Certificate of Need Rules Section 11-186-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

To establish a five (5) bed Special Treatment Facility to provide community-based residential treatment to boys and girls ages 7 to 12 with reactive attachment or other psychiatric disorder expanding beyond those served under the Felix Consent Decree.

8. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:

- a) Date of site control for the proposed project, **July 12, 1995**
- b) Dates by which other government approvals/permits will be applied for and received, **August 1, 2004**
- c) Dates by which financing is assured for the project, **N/A**
- d) Date construction will commence, **N/A**
- e) Length of construction period, **N/A**
- f) Date of completion of the project, **N/A**
- g) Date of commencement of operation, **August 1, 2004**

Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the certificate of need.

9. **EXECUTIVE SUMMARY:** Please present a brief summary of your project. In addition, provide a description of how your project meets each of the certificate of need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

- a) Relationship to the Hawai'i Health Performance Plan (H2P2), also known as the State of Hawai'i Health Services and Facilities Plan.
- b) Need and Accessibility
- c) Quality of Service/Care
- d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
- e) Relationship to the existing health care system
- f) Availability of Resources. **All staff is in place. No new staff required.**

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Hale Kipa, Inc. – Hale Kupono Boys and Girls Program is currently two houses with 5 beds Felix exempt facility offering Special Treatment Facility services (Community-Based Residential Treatment) to children ages 7 to 12. This application is to continue serving exempt Felix Class children, and in addition, allow us to accept non Felix class children for the same services. This program is currently the only program offering and providing services to this age group with high end mental health needs in a community based residential settings on Oahu. This service and program serves youth from this area and accepts children from other locations within the State through a contract with Child and Adolescent Mental Health Division (CAMHD). The program has been in operation for the past three years and will continue to provide safe, secure, evidenced based therapeutic services to children ages 7 to 12. The program provides three major components. First is the mental health treatment component which focuses on providing individualized mental health treatment plans, care, support and treatment to best meet the mental and emotional needs of those we serve. The second major component of the program is the therapeutic educational program which provides on-going educational services as outlined by the youth's IEP and educational program to enable him to be prepared to re-enter the educational system. The third major component is the family treatment/therapy sessions between child and family which are essential in enabling and supporting the youth and family towards a successful reunification and sustained positive outcome.

The Hale Kupono Program provides a cost effective alternatives to hospital/institutional long-term care and is designed as a step-down from acute or residential hospital-based settings or a step-up from home, therapeutic group homes, or foster care. Hale Kupono offers maximum flexibility in working with youth's individualized mental health treatment plan (MHTP) goals with the ultimate goal of reunification with the youth's family or permanent out of home placement, e.g., foster care, etc. Unlike larger and more institutional settings, Hale Kupono's community-based and small group home setting uniquely allows youth to experience typical healthy family living with home cooked meals, chores, family-like activities, involvement with the neighborhood, community and it's resources. Hale Kupono provides this family-like experience while having the safety, consistency and structured of a therapeutic milieu and therapeutic educational services by 24/7 therapeutic staff who have the training, skills and are less likely to burnout with the complexities and high demands of these youth. This program offers a cost effective alternatives to long-term acute institutional setting and provides a progressive therapeutic milieu geared towards reintroducing youth back into their community/society with tools, skills and desire to succeed. Hale Kipa's Hale Kupono Program, has been providing these services in Oahu for over twenty years and specifically to this age group population for over three years. The Hale Kupono Boys Program has 5 boys as residents in this facility and currently have a waiting list of six boys ranging in ages from 7 to 12 years of age.

- a) Relationship to the Hawaii Performance Plan (H2P2), also known as the State of Hawaii Services and Families Plan
  - Provides a safe and nurturing therapeutic environment for youth between the ages of 7 to 12, taking advantage of mental health services and a therapeutic educational program.

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- The Nurturing and Culturally Sensitive Family Environment teaches the youth that despite their struggles and challenges, they can be safe, secure and can learn to trust others, feel positive about themselves, be accepted by others, develop positive relationships with others and belong to a family community.
- The Therapeutic and Behavioral Management through high environmental structure and consistency assists the youth in attaining the internal structures and self-regulation necessary for personal responsibility by helping them become self-aware and reflective of their own behaviors, thoughts and feelings.
- The Therapeutic Programming consistent with Empirically Supported Treatments provides social, recreational and educational group activities for the youth in all aspects of their daily lives to develop socially-engaged reciprocal interpersonal relationships that strengthen their capacity for a healthy self-concept.
- The Therapeutic Services consistent with Empirically Supported Treatments provided by the Qualified Mental Health Professional (QMHP) Program Director, Mental Health Professional (MHP) Therapist, QMHP RN, Consulting Psychiatrist, and skilled Paraprofessionals, Youth Counselors, (YC) on a 24/7 hours basis. These services are designed to meet each individual youth's goals and their families as agreed upon in the intake process, CSP, IEP, Mental Health Treatment Plan and Treatment Team meetings.

b) Need and Accessibility

Hale Kuponono is a licensed special treatment facility program which include a small family home group residence and an on-site educational program. The program serves male and female youth ages 7 to 12 with moderate to severe mixed types of psychiatric diagnoses. The program is designed as a step-down program from acute or hospital-based residential settings for continued stabilization in a therapeutic milieu and educational settings in preparation to transition home or to a less restrictive living situation if home is not an option. The program also functions as a step-up from therapeutic foster care or therapeutic group homes settings for youth's who need a therapeutic out of home placement due to stresses' in their home environments. The need for out-of-home placements for youth often requires structured and therapeutic interventions for both youth and their families with the primary goal of reunification as soon as possible. Hale Kuponono program serves youth from all Islands, whose needs are best met in a highly structured program in a community-based setting. Currently there are very few community-based programs in all Islands that serve this age group with very high levels of mental health, behavioral, and educational needs. Hale Kipa's Hale Kuponono Program has been and continues to provide all Hawaii's children and their families' high-end services requiring high levels of structured, therapeutic, nurturing and educational services in community-based residential programs reducing the numbers of children being placed in institutional/hospital settings.

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The demand for community-based residential care for this age group and gender population is on the rise. Hale Kipua's request for a Certificate of Need is based on the fact that Hale Kipua Boys and Girls Program are currently licensed for 5 beds in each facilities and all 5 beds of the boys program are currently full and the girls' program has 4 beds filled and has been full for the past three years with a week or two in between vacancies to facilitate a youth's transitioning in and out of the program. Hale Kipua currently has 6 boys awaiting admission to the program who have been waiting in hospital-based residential settings and/or acute facilities anywhere from 2 to 3 months. These youth (resident and waiting list) represent only those children referred by the Department of Health (DOH) Child Adolescent and Mental Health Division (CAMHD) Felix Class youth. Other referral sources seeking services are Department of Education, Department of Humans Services, Judiciary of Hawaii', acute hospitals, acute care mental hospitals, and third party insurers.

The Hale Kipua Program will continue to provide services that are accessible to a wide range of referring entities to include CAMHD, acute care hospitals, the Judiciary State of Hawaii, Department of Education, acute care providers and individual service providers. Accessibility will be enhanced due to the fact that we will be able to accept children regardless of funding sources.

The program beds and services will be accessible to all appropriately referred youth on Oahu including underserved populations. In addition to the Island of Oahu being the primary service area, services will be available to the rest of the State of Hawaii without regards to race, ethnicity, gender, and disability.

c) Quality of Service/Care

Hale Kipua Program provides the following care and services:

- Medication management
- Therapeutic services and care in a home-like/based settings and environment
- Mental health services under oversight of qualified mental health and medical professionals 24 hours a day, 7 days a week
- Educational program in a therapeutic structure and setting on program site to encourage successful learning
- Encourage and support consumer involvement and choice
- On-going quality assurance monitoring
- Continuous quality improvement through the Hale Kipua's Quality Assurance and Evaluation Review process
- Continuing education in all aspects in behavioral health care to identify and implement appropriate training program when and if there is a need
- Maintain licensure as a Special Treatment Facility with the Office of Health Care Assurance, Department of Health
- Maintain Council on Accreditation (COA) of Services for Families and Children, Inc.
- Maintain certification by the State Department of Health (DOH) Child and Adolescent Mental Health Division (CAMHD)



- d) Cost and Finance (include revenue/cost projections for the first and third year of operation)

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The primary cost and necessary financing of the program is derived from the existing contracts with the State Department of Health Child and Adolescent Mental Health Division. Personnel costs are based on a daily census of ten (10) youth. Staffing are based on CAMHD's contract requirements and Clinical Standards with a minimum staff to youth/client ration of one (1) direct care staff for every four (4) youth/residents and two (2) staff on site at all times. Providing mental health and educational care/services in the Hale Kupo Program affords a significant reduction in health care cost by providing a less costly alternative to acute and residential care, which can cost in the vicinity of \$650 to \$750 per day. Hale Kupo Program's cost per day is \$377.50. This cost includes the cost of the physician which in acute care facility costs are exclusive of physician charges. The savings are evident when taken into consideration the differences in charges for both professionals as well as facilities.

- e) Relationship to the Existing Health Care System

Hale Kipa, Inc. Hale Kupo Program is one of the very few and maybe the only program providing specified (reactive attachment) mental health and educational services for this age group population in a community-based, family-home and therapeutic setting. The Hale Kupo Program receives referrals and admissions for youth from all Neighbor Islands as well as throughout the Island of Oahu's Family Guidance Centers. These youth may also be involved with the Department of Human Services, Department of Education, and Judiciary only if they are Felix Class youth. Other entities that have expressed interest in referring to the programs are other health care providers e.g. Kahi Mohala, Mental Health Care, Queens Mental Health, Kaiser Permanente Health system, and Private Health Care Providers. The program services are complimentary to those services as well as provide a bridge for services that are not offered by these entities. These services also represent a significant portion of the continuum of care necessary to help insure that children are provided the necessary tools to succeed outside institutional environment.

- f) Availability of Resources

Hale Kipa's Hale Kupo Program has an experienced management and therapeutic team who have been involved in providing therapeutic and community-based residential programs for many years. In addition, Hale Kipa has been in operation for thirty-two (32) years providing multi-services specializing in working with children, adolescent and their families. Hale Kipa enjoys many corporate level resources through individuals that likewise have many years of experience and commitment to this age group population and needs. These individuals are represented both locally and corporately. Hale Kipa has many resources and programs throughout the islands that provide mental health services geared to children and adolescents. The Hale Kupo program has been in operation for three (3) years and on-going as indicated previously and based on the demonstrated needs, will continue to operate

with the approval of the certificate of need as requested. Hale Kupono Program for the most part has been fully staffed and with staff recruited locally who are diverse in ethnicity, culture, age, and gender. The staff represents a significant range of expertise, skills and knowledge surrounding the continuum of care necessary to ensure that children/youth/residents are provided the necessary skills and tools to succeed in a community-based residential program as well as in their own community especially in their family home environments. Financial resources for this program already exists through contracts with the Department of Health Child and Adolescent Mental Health Division for the past three years with a renew contract for the next three plus years.

10. **Eligibility to file for Administrative Review.** This project is eligible to file for Administrative review because: (Check all applicable)

It involves bed changes, which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

It involves service changes which will have a capital expense of \$1,000,000 or less, and which will have an increased annual operating expense of less than \$500,000.

It is an acquisition of a health care facility or service, which will result in lower annual operating expenses for that facility, or service.

It is a change of ownership, where the change is from one entity to another substantially related entity.

It is an additional location of an existing service or facility.

The applicant believes it will not have a significant impact on the health care system.

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